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C O N F I D E N T I A L SECTION 01 OF 04 KIEV 001154

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TAGS: [PREL](#) [PGOV](#) [ETRD](#)

SUBJECT: UKRAINE: MARCH 26 PARLIAMENTARY ELECTIONS -- CAN
THE ORANGE PICK ITSELF BACK OFF THE GROUND?

Classified By: Ambassador for reasons 1.4(a,b,d).

1. (C) Summary: The March 26 parliamentary elections are lining up to be judged free and fair, despite flaws. The campaign was marred by none (or very, very few) of the Kuchma government behavior that seriously eroded confidence in how the fall 2004 presidential elections would be conducted. Administrative problems, such as chronically inaccurate voter lists and scattered polling station commission inadequacies, will blemish election day, but should not subvert the overall political will of the Ukrainian electorate. Election day provocations and post-election day legal battles may also complicate the Central Election Commission's task of tallying the vote, but no credible observers have suggested that these obstacles cannot be overcome. Concurrent local elections may be where the most problems occur.

2. (C) We predict a vote outcome of over 30 percent for ex-Kuchma PM Yanukovych's Regions Party and 15-20 percent each for President Yushchenko's Our Ukraine bloc and ex-Orange PM Tymoshenko's eponymous bloc (BYuT). The turn-out for second- and third-tier parties -- Socialists, Communists, Speaker Lytvyn's bloc and others representing a very wide political spectrum -- will be an important as they may play a king-making role in the all-important Rada majority coalition talks that will consume the first days and possibly weeks of the new Rada. A re-alliance of the major forces of the Orange Revolution -- Yushchenko, Tymoshenko and Socialist Moroz -- is one of the two most likely outcomes. A Yushchenko-Yanukovych coalition is the other. A Yanukovych-Tymoshenko coalition can not be excluded. An anti-Orange coalition of Blue, Red and other elements, if the voters make that possible Sunday, would be the worst result for Ukraine's Euro-Atlantic prospects; it is the least possible coalition outcome. We should be fully prepared to work with whatever coalition emerges from the coming weeks' political haymaking. If no majority can be formed, we may be looking at new elections this summer. End summary.

The Process

3. (C) The March 26 Rada (parliamentary) and local elections offer the Ukrainian people the chance to freely express their political views and are an opportunity for the post-Orange Revolution government led by President Viktor Yushchenko to make manifest its democratic bona fides. From what we have seen, both of these opportunities will be fully realized as the election as a whole will be judged free and fair, despite problems. The campaign, in sharp contrast to the year-long lead-up to the fall 2004 presidential election here, has been Ukraine's freest and fairest in years. All sides have been able to compete for voter loyalty without hindrance. Parties and blocs of parties have been able to travel and promote their product freely. The Yushchenko government, unlike its Kuchma-led predecessor, issued no "or else" guidance to media outlets, which in turn displayed much less bias than in the past. Analysis suggests media ownership still played a role in political coverage, with the little watched or read state-owned media favoring President Yushchenko's Our Ukraine bloc and privately-owned media hewing more closely to their bosses' preferences. Still, even in these cases, the reportage was much more balanced than in 2004.

4. (C) Election day itself will be messy, but democratic. The Yushchenko government has not proven itself efficient in many endeavors, and the administration of this election is no exception. Voter lists are inaccurate; polling station commissions have not all opened on time; and several revisions to the electoral law over the past year, including as late as March 17, have no doubt sowed confusion. That said, the GOU is not solely to blame for these ills. Voter lists have long been a problem. Many polling station commissions (PSCs) lacked a quorum because smaller parties entitled to seats did not provide the necessary bodies. The independent Rada, often under the control of shifting, anti-government, situational majorities, has not been a tool of the Presidency. Nor did the Rada have its own act together; democracy, difficult anywhere, remains a somewhat new phenomenon here. The procedural problems, although real and unfortunate, should not be so great as to suggest the overall vote was flawed. In another major difference from 2004, there is no evidence (allegations, yes; evidence, no) that the central government has set out to manipulate these

weakness or any others to skew the outcome. The vote count of the local and regional elections may see more problems than the national parliamentary returns, especially if observers do not manage to stay in place in the long process that will likely follow the already long process of tallying the national vote.

15. (C) Sunday's vote may also be marred by heightened political passions and intentional provocations that could lead to ugly, even violent scenes in places. Most of the parties and blocs, whether with or without much hope of entering the Rada over the three-percent threshold, have engaged in a vehement and vociferous political fight. The September 2005 split between erstwhile allies Yushchenko and ex-Orange PM Yuliya Tymoshenko has been getting deeper and wider, despite talk (dreams?) of a post-election re-formation of the "Maidan team" (shorthand for the political forces that joined on Kiev's Independence Square to resist the Kuchma-Yanukovich efforts of 2004 to "win" the presidential election by hook or by crook). When not spitting on each other, many Our Ukraine and Tymoshenko bloc (BYuT) representatives have spared little energy in attacking their "Blue" opponent, Yanukovich's Party of Regions (again, despite behind the scenes feelers of possible post-election coalescing).

16. (C) Meanwhile, the lesser parties (Socialists, Communists, Speaker Lytvyn's bloc, Kuchma-crony party SDPU(o), radical Progressive Socialist Vitrenko, a progressive PRP-PORA bloc, and the independent Orange rightist party of Kostenko) have in many cases been busy spewing their own venom in this largely negative campaign. It is not at all out of the question that some groups, with little to no hope of entering parliament and wanting nothing more than to blacken the Yushchenko team's eye (and sully the Orange Revolution that deposed them), will incite actions that could mar the vote. Violence or purposefully improper electoral acts at a polling station could cause that PSC's vote to be disqualified. Nuisance lawsuits over some of the procedural problems noted above could tie up final elections results for some time. Luckily, tens of thousands of election monitors (both international and more importantly domestic, the latter including media reps, party representatives and, for the first time, non-partisan domestic NGO observers) will be present at the more than 34,000 PSCs that dot the country.

The Results -----

17. (C) Polls over the last several months have consistently pointed to an electoral result that will give a Rada plurality (of about 30 percent) to Yanukovich and his eastern Ukraine-based Party of Regions. While such a result does indicate a remarkable amount of staying power for the most visible loser of the Orange Revolution, it does not represent some kind of dramatic reversal of Ukrainian public opinion. In the December 2004 presidential revote, deemed acceptably free and fair, Yanukovich received 44 percent in the two-way race; Yushchenko received 52 percent (the remainder were spoiled ballots or "against all" votes). If you aggregate the latest poll findings into roughly Blue and Orange camps, Blue (Regions, Communists, Lytvyn's bloc, Vitrenko, Ne Tak) garners 42 percent support, while Orange (Our Ukraine, Tymoshenko, Socialist, PORA-PRP) takes 49 percent, among likely voters. The nine-percent undecided vote, according to some analysis, were mostly Orange supporters in 2004, but even if the undecideds split three ways into Orange, Blue and abstention, that puts the totals at almost exactly the December 2004 numbers.

18. (C) Barring major disruptions to the vote, the outcome should give roughly 30-plus percent of the vote to Regions, 15-20 percent each to Our Ukraine and Tymoshenko blocs, and 5-10 percent to the Socialists. Those seem to be the only sure bets to overcome the 3-percent threshold into the Rada. Communists and Lytvyn's bloc seem likely to receive just over 3 percent, while the SDPU(o)-led Ne Tak, progressive PORA-PRP, radical Vitrenko-led and rightist Kostenko-Plyushch blocs have been hovering right at or just below 3 percent. Perhaps more important even than an extra one or two percent of the vote would be to any of the major parties/blocs would be the entry into the Rada of any of these lesser groups that might coalesce with one side or the other in majority coalition talks that will dominate the first days (weeks?) of the new Rada. For example, a PORA-PRP faction in the Rada, with 3 percent of the seats (14) would likely add to Yushchenko's coalition potential, whereas if PORA-PRP were to receive, say, 2.9 percent of the vote and not enter the Rada, that percentage in effect gets divided up, proportionally, among the parties/blocs that do get in (i.e., adding less than 3 percentage points to Orange forces).

19. (SBU) If only the top six parties/blocs get into the Rada, the seats will be roughly divided up in one of the following two ways:

(If Orange forces do relatively well)

Regions (30% of the vote)	154
Our Ukraine (20%)	103
Tymoshenko (20%)	103
Socialists (7.5%)	38
Communists (5%)	26
Lytvyn (5%)	26
Parties not reaching 3% (12.5%)	0

Total (100%)	450

or

(if Regions does relatively well)

Regions (35% of the vote)	180
Our Ukraine (17.5%)	90
Tymoshenko (17.5%)	90
Socialists (7.5%)	38
Communists (5%)	26
Lytvyn (5%)	26
Parties not reaching 3% (12.5%)	0

Total (100%)	450

Such a result would represent a huge boost in Rada seats for "Blue" Regions (currently 60), but also an improvement for Orange forces (currently around 150). Parties that will have dropped dramatically or disappeared altogether from the Rada include the Communists (currently 56), SDPU(o) (19), unaffiliated deputies (31) and a host of other assorted, mostly anti-Orange or ambivalent leftover factions from the Kuchma era.

What the results will mean

10. (C) Assuming that the elections proceed with minimal hiccups and that post-election law suits by bitter losing parties do not delay final results too long, we can expect to get to the real business of the elections as soon as the polls close: forging a Rada majority coalition and forming a new government. As reported reftel, constitutional reforms that took effect January 1 require that a majority in the new Rada select a new Prime Minister, who will in turn take the lead on forming a new Cabinet (with the prominent exception of Defense and Foreign Ministers, Security Service (SBU) chief, and Prosecutor General). Based on the above estimates of Rada seat allocation, various coalition permutations are quite possible, but the leading likelihood remains a pro-reform re-alliance of the Orange Yushchenko-Tymoshenko-Socialist team. Polling shows a re-formed Orange alliance to be the most popular among voters, 34 percent, as compared to 21 percent for a Region-Communist-Lytvyn arrangement and only 6 percent for an Our Ukraine-Regions marriage.

11. (C) Despite continued mutual personal vitriol at various levels of the Yushchenko and Tymoshenko organizations, talks continue about a coalition deal. Foreign Minister Tarasyuk confirmed to Ambassador March 24 that the sides had almost reached agreement the day before, when Tymoshenko decided to wait until 10 pm election day to ink the deal (septel). Tymoshenko foreign policy adviser Hryhoriy Nemyrya confirmed to DCM March 24 that the sides were talking, but said no deal would be closed until Tymoshenko had an idea as to how she did at the polls Sunday. Such an outcome would bode best for Ukraine's pace of Euro-Atlantic integration, though it would potentially revisit clashing economic philosophies on display in 2005.

12. (C) Yushchenko could find it easier, even if distasteful and perhaps a sharp blow to his own popularity, to join parliamentary forces with Party of Regions leader Yanukovych, the once-reviled candidate of the Kuchma camp in the 2004 presidential elections; easier because Yanukovych is more predictable than the "fiery" Tymoshenko, and also because only two blocs would be needed to form the majority. Talks between the sides have been intermittent, with many a public statement by the two sides' representatives denying the possibility of such an alliance (perhaps with an eye on the low popularity of such a deal). At the very least, the threat of a coalition with Yanukovych is something Yushchenko can brandish in his talks with Tymoshenko. A Yushchenko deal with Regions would bring in a government with which we could work, but which might slow-track some Euro-Atlantic vectors.

13. (C) One key factor in determining whether Yushchenko partners with Yanukovych or Tymoshenko will be will be the relative showing of Our Ukraine and BYuT. In the negotiations, the two parties appear to have agreed that the side that does better in the elections will get to choose the PM. If Our Ukraine finishes ahead of BYuT, the odds on Tymoshenko demanding the PM slot considerably diminish. This should make it easier for Yushchenko to accept a coalition

with BYUT.

¶14. (C) The least likely pairing among this threesome would be Tymoshenko and Yanukovych. Overcoming mutual distrust and personal distaste would be very difficult. However, were both unable to reach a deal with Yushchenko and company, they would be left to consider their mutual interests in regaining influence over the government (whatever their conflicting motivations and policy orientation). Of the three major likelihoods, such an outcome would be worst for U.S. interests, as the Yushchenko team's pro-reform, pro-West policies would be seriously derailed. Even if macroeconomic policies did not suffer too much, the prospects of market-oriented reform could be dimmer. Moreover, significantly increased corruption would seriously affect their impact. NATO membership would lose even lip service support, while EU membership might remain a stated goal, but would be less vigorously pursued.

¶15. (C) Two other coalition possibilities are worth mentioning. If some past opinion polls turn out to be accurate, there is a potential majority coalition that would involve Regions, but neither Yushchenko nor Tymoshenko's blocs. While unlikely, the March vote could result in a majority of Rada seats going to some combination of Regions, Speaker Lytvyn's bloc, Communists, ex-President Kravchuk's Ne Tak coalition, and/or radical Socialist Vitrenko's group. While such a coalition would require bringing together a diverse group, all but perhaps the last of these forces are driven more by a hunger for power (and spoils) rather than ideology. The attraction of an undiluted anti-Orange coalition might drive the groups together. Foreign policy directions would turn even more toward Moscow. Even the specter of a reversal of some civil society gains would threaten, although most observers think that the civic freedoms cat cannot be put back in the bag.

Doing it all over again?

¶16. (C) Finally, it is conceivable that the forces that make it into the Rada in the March elections will not be able to make the compromises necessary to form a majority. Constitutionally, they have 30 days after taking their seats to form a majority and 60 days after the divestiture of powers of the Cabinet to appoint a new Cabinet (presumably early in the new Rada session). If they fail to do so, the President, after consultations with the Rada and Rada faction leadership, may dismiss the Rada, and new elections are to be held within 60 days. Presumably, for this to happen, significant forces would have to calculate that they could do better in new elections.

U.S. approach

¶17. (C) We will be watching carefully the March 26 vote, as well as the behavior of all sides in the aftermath. Our approach should be to continue to support a pro-reform coalition. With the unlikely exception of a majority coalition that excluded both Yushchenko's and Tymoshenko's forces, the USG should be able to work with the government put together by the majority that eventually emerges. The elections will determine in the near-to-medium term the overall pace of Ukraine's own progress in Euro-Atlantic integration, but, as we have seen over the past year with a purely Orange government in place, progress is unlikely to be simple, swift, smooth and steady no matter what the results.

¶18. (U) Visit Embassy Kiev's classified website:
www.state.sgov.gov/p/eur/kiev.
Herbst